



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. LOTTE
CHEMICAL PAKISTAN LIMITED BY M/S. ASIAPAK INVESTMENTS LIMITED
AND M/S. MONTAGE OIL DMCC FROM M/S. LOTTE CHEMICAL
CORPORATION**

CASE: 1527/Merger-CCP/2025



Commission

**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 5th March 2025, M/s. AsiaPak Investments Limited ("**APIL**" or "**Acquirer 1**") and M/s. Montage Oil DMCC ("**MOD**" or "**Acquirer 2**") jointly submitted a pre-merger application (hereafter "**Application**") to the Competition Commission of Pakistan ("**Commission**") notifying the Commission of their intention to acquire % shareholding of M/s. Lotte Chemical Pakistan Limited ("**LCPL**" or "**Target**") from M/s. Lotte Chemical Corporation ("**LCC**" or "**Seller**"), pursuant to the Share Purchase Agreement dated 19th February 2025 (the "**Agreement**").
2. The Application was filed under Section 11 of the Competition Act, 2010 (the "**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the "**Merger Regulations**").

Merger Parties

Acquirer 1

3. APIL is a private investment company incorporated on 9th February 2007 under the laws of British Virgin Islands. It is engaged in the business of making investments in various businesses such as infrastructure, energy, power, transport, logistics, technology and media.

Acquirer 2

4. MOD is a private limited company incorporated under the laws of UAE which holds a trading license dated 15th March 2017. It is engaged in trading and logistics specializing in the global trade of oil, petrochemicals and related products, with operations across the Middle East and Asia.

Target

5. LCPL is a public listed company incorporated on 30th May 1998 under the laws of Islamic Republic of Pakistan. It is engaged in the business of manufacturing and sale of purified terephthalic acid ("**PTA**") and products and related services.

Seller

6. LCC is a joint stock company (chusik hoesa) duly incorporated on 16th March 1976 under the laws of Korea. LCC holds % of the Target.

Transaction

7. Pursuant to the Agreement, the Acquirers intend to acquire % shareholding which is approximately ordinary shares of the Target from the Seller. Total consideration for the subject transaction is USD (equivalent to PKR as of 20th March 2025). As part of the agreement, APIL will acquire a % stake in the Target, while MOD will also acquire a % stake in the Target collectively % of the Target.



Phase-I Competition Assessment

Procedural Review

8. Based on the Application, the Commission conducted a Phase-I competition assessment of the Application, including supporting documentation, to evaluate compliance with the Act and Merger Regulations, particularly focusing on potential competitive concerns, including market dominance and competition, post-merger.

Relevant Market

9. The relevant product market, in this case is "**Purified Terephthalic Acid**", a primary feedstock for polyester production. Given the nature of production, distribution, and pricing dynamics, the relevant geographic market is identified as "**Pakistan**".

Market Share

10. As per the Application, the estimated market share of the Target is % and on the other hand, both the Acquirers are not in the relevant market as a result market share will remain unchanged. APIL and MOD, are not active in this relevant market. Consequently, the proposed acquisition of shares will not result in any change in LCPL's market share, nor will it lead to an increase in market concentration.

Competition Analysis

11. There are no horizontal or vertical overlaps between the parties involved in the transaction. The Acquirers are not engaged in any business activities within the PTA value chain in Pakistan and have no operational involvement in the sector. Therefore, the transaction is not likely to substantially lessen competition, create entry barriers, or enhance the market power of the resulting entity. The PTA market is likely to continue to operate under existing competitive dynamics post-acquisition.

Determination

12. The Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
13. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
14. It is so ordered.



Dr. Kabir Ahmed Sidhu

Chairman

ISLAMABAD,

9th MAY, 2025.